Grant Tool Kit
Chapter 1- Evaluating Your Nonprofit

A Service of the Indiana Department of Health's
Grant Management Division

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Disclaimer

This toolkit is designed to be used as a resource for writing and assembling grant applications, proposal narratives and budgets. It does not guarantee a grant award. Also the Indiana State Department of Health (ISDH) provides links to web sites as a convenience. The inclusion of a link on this web site does not constitute an official endorsement, guarantee or approval by the ISDH. ISDH neither endorses, has any responsibility for, nor exercises any control over the organizations' views or the accuracy of the information contained in those pages outside of the ISDH's web site. Additional questions regarding the information contained in these websites should be directed to the individual resources.

Mission and Vision Statement

A mission statement outlines the critical functions of your nonprofit. It has the who, why, how, where and what of your organization in a nutshell. (The when is covered in your goals and objectives.) When someone reads it they will know what you do and who your customer is. According to the IRS, the mission statement tells an “organization's purposes and guide its work.”

Mission example:

> The Indiana State Department of Health supports Indiana's economic prosperity and quality of life by promoting, protecting and providing for the health of Hoosiers in their communities.

Although a Vision Statement can be optional, some organizations adopt one. A vision statement reveals your long-term ideals for the future of your nonprofit. It shows the “big picture” of what you want to achieve. The statement can include the steps or actions that will be or are currently taken to help your organization get to the desired outcome.

Vision Example:

> To achieve a healthier Indiana, the ISDH will:
>
> Focus on data-driven policy to determine appropriate evidence-based activities.
>
> Evaluate activities to ensure measurable results.
>
> Engage its partners and include appropriate intra-agency programs in policy-making and programming.
>
> View its essential partners to include local health departments, physicians, hospitals and other health care providers, other state agencies and officials as well as local and federal agencies and officials, community leaders, businesses, health insurance companies, Medicaid, health and economic interest groups, and other groups outside the traditional public health model.
>
> Actively facilitate the integration of public health and health care activities to improve Hoosiers’ health.

Both your mission and vision statements help you focus on what your nonprofit’s purpose is. Where the vision statement can stretch from the past or beginning of your organization to where you want to go, the mission tells what you do in the here and now. Keep them in mind when you search for funding so you can stay true to your mission and vision and not change or lose focus by trying to alter your organization to fit the criteria for a sponsor’s money.

Examining Your Potential

Included in this document is a brief explanation of some of the components of a nonprofit. Also there are self-examination questions for reflection. They will help you to develop a well conceived plan. Try to think of everything that you will need to run a successful nonprofit. You must be able to convince potential sponsors that your organization is the best one to address a need in your community. By knowing who you are and what your organizations does, you can be prepared to take advantage of new opportunities as they become available.

Your Nonprofit

Whether you are in the planning stages or have been working for your nonprofit for years, a little self examination can help you to keep your organization strong. To build your nonprofit from the ground up, you need to think about what you want to accomplish and plan what your organization will do. For maintaining your operations, you need to consider the “what ifs” so you can have a plan in place to counter unwanted changes.

Example:
Mom and Pop McKenzie are retired. But they worry about people in their community of Rockville Indiana not having adequate healthcare. They decide to start Mom and Pop’s Healthy Family Foundation. The mission of their foundation is to hold a health fair every year by the third Friday, Saturday and Sunday of every September.

- Have you done a SWOT on your organization?
    - Strengths- what you do well
    - Weaknesses- areas you need to improve in.
    - Opportunities- areas for growth.
    - Threats- who or what outside forces hinder your organization’s growth

- Do you have a long-range strategic plan in place to help keep you on track?
    - Is it true to your mission and vision?

- Will it successfully help you to expand your nonprofit and/or strengthen it?
- Is it achievable?

Although your mission and vision may stay the same, many changes will occur over time. The community or your clients may vary through shifting demographics, sponsors will come and go as well as staff, programming will adjust to accommodate the changes, etc. Take time to consider how your nonprofit will adapt to potential changes and be ready.

Resources

Make an inventory of what you own. Having that inventory with serial numbers, makes and models will help you if ever there is a burglary. Making a list of items you need can help you to evaluate what is necessary to help your nonprofit function more efficiently. You can pre-shop for the items by getting quotes and prices so you can be ready to buy when funding comes in. And having a wish list of what you want is helpful. You never know if funding will be enough to purchase things beyond the basics.

Example:
You pay rent on a 1,000sf building in a strip mall. Because of growth issues, you need to rent at least 2,400sf. But you want to own your own building.

➢ Do you have adequate materials and resources for your nonprofit?
  - Building and equipment
  - Materials and items
  - Staff and volunteers
  - Community Support and Partnerships

The inventory will put your current needs in perspective. The list of needs will keep you grounded in what to ask for. The wish list gives you a goal to shoot for when asking for funding. Only you know if your needs and wants are realistic and achievable.

Board Members/ Trustees

Your board must have independent persons and not be mainly populated by your staff or family. They must be allowed to vote on issues affecting your nonprofit and make constructive decisions. A board is a must to be compliant with IRS laws.

Board members are unpaid or they receive a certain amount of compensation for their time. Compensation and pay for board members can be complicated. Some answers may be found on the IRS website for Governance-
http://www.irs.gov/charities/article/0,,id=211125,00.html

Another point to consider is conflict of interest. Three main reasons for conflict of interest is family or other close relationship, financial interest or business affiliation. For fair voting and decision making, make sure there are checks and balances in place.

Example:
A board member is dating the executive director of the nonprofit. At the next board meeting, the salary of the executive director will be discussed. Because of a conflict of interest, the dating board member will excuse themselves from the vote on the salary. The remaining members will decide the salary and the integrity of the decision is intact.

- Who are your board members?
    - Are they family members or staff?
    - Do they represent a broad professional base?
    - Do they have time to process the information?
    - How many members?
    - How are they recruited?

- How is their dedication?
    - Do they have networks with other possible donors?
    - Are they willing to personally donate to your nonprofit and/or program?
    - Are they active in the fundraising efforts?

- How is their decision making processes?
    - Do their decisions help or hinder your nonprofit?
    - Is the current board the right size for your nonprofit?
    - How often do they meet?
    - Do they receive accurate information to make a decision from your staff?
    - When do they make the decisions?
    - What do they want your nonprofit to achieve?
    - Does every board member have a voice in decisions?

- Are there articles and bylaws for your board to follow?
- Are they able to conduct the necessary financial evaluations for your program?
- Are they in compliance with IRS rules?

Make sure you have articles and bylaws clearly written and known by all board members. The IRS looks for nonprofits to have internal controls to help in decision making.

Schedule your board meetings consistently for as often as you believe necessary, whether monthly, quarterly or twice a year. Keep account of discussions and decisions through meeting minutes. Make sure the records are orderly and available in case someone wants to view them.

Let potential board members know when the meetings are so they can attend if they want to. Observers can quickly become advocates for your nonprofit if they are confident in your mission.

For more information see- Free Management Library's Free Complete Toolkit for Boards- http://www.managementhelp.org/boards/boards.htm

Staffing

Staff should be professional, good with communication, knowledgeable about all aspects of your nonprofit and able to keep confidential information private. They should be trusted to do their jobs without you standing over them. In return for their loyalty, offer them chances for advancement and professional growth and perks to make them content in their jobs. Remember, replacing staff that leaves does cost in terms of recruiting and training.

Example:
Lori has been the secretary for five years. She is very dependable, can answer all questions about the organization and has assisted the program staff in their jobs. She would like to be a program person but she does not have the training or education.

After talking with her, you decide to give Lori a chance by changing her job slightly. In her new role she will perform the duties of secretary 80% of the time and the other 20% will be spent on small project related to programs. You will also offer her (and other employees) tuition reimbursement or pay for professional workshops and classes. After a predetermined time, you will evaluate the programs and budget to see if Lori can be promoted.

Advantages for the employee-

- Learning new skills at a reasonable pace
- Education and professional development paid for
- Sense of career advancement
- Discovering if a new position is what she really wants
- The security of her old position while she learns
- Being groomed to take over a new position

Advantages for you-

- You still have a secretary during this interim time.
- You have someone cross trained in case an employee is out on vacation or sick leave
- You will know if Lori can handle a promotion
- You create goodwill by giving her a chance
- If a position opens up, you already have someone who knows the organization ready to step in

➢ Is your staff at the skill level needed?
  - Does your staff have the skill to run the program?
  - Are they cross-trained?
  - Able to multitask?
  - Willing and able to take on new responsibilities?
  - Do they have good communication skills with your clients and each other?
  - Do they have integrity and maturity?
  - Do they need additional training such as workshops, classes, and other professional training?
  - If a requirement is having qualified staff as program managers and they should leave your nonprofit, is there another staff person to step in or do you have the resources to hire another qualified person?
  - Do you have a disciplinary plan in place if needed?

➢ Is your staff supported?
  - Can they freely communicate with you and each other?
  - Is a professional atmosphere supported?
  - Are small problems dealt with before they get out of hand?

- Is there a procedure in place for conflict resolution?
- Is teamwork promoted?
- Is their compensation fair?
- Are there offers such as flex time, part time, job sharing, work from home or other perks?
- Is there a procedure for whistleblowers or employee complaints?

Having a pleasant workplace generates employee loyalty. Many people have had jobs that paid well but lacked respect and harmony between coworkers. Chances for advancement are another reason for losing employees. Make sure you and your staff communicates on a regular basis to avoid misunderstandings and conflict.

Volunteers

There are a variety of reasons why people freely donate their time, skills, knowledge and talents to nonprofits. Volunteers can pitch in where you need them most, if they want to do that task. Handling volunteers are a little give and take. Find out where their talents lie and ask them what they want to do. It would help to have a list ready to show volunteers of the type of tasks needing to be done.

Example:
John is retired and looking for something to do that will make a difference. He contacts your nonprofit and asks to become a volunteer a few hours a week. After a background check, John is welcomed and trained. He has a skill with computer work and has a great personality. The staff and clients like him. However, because of his wife’s health, sometimes he has to cut back on his volunteer hours. You ask John if he would consider doing projects from home such as telephone or computer work.

➢ Is there goodwill between the volunteer and your nonprofit?
- Is there good communication between staff and volunteers?
- Have there been adequate background checks?
- Do you have an adequate training program?

➢ What are the motivations for volunteering?
- Is the volunteer there to complete an order of community service?

- Do they see this as a way into your organization?
- Are they using the experience to get a job in nonprofit or their chosen field?
- Do they want to stay close to a certain geographic area?
- Are they developing new skills?
- Is this volunteering experience for a class?

➢ Do you have the time to nurture and empower your volunteers?

- Can they only volunteer for a limited time?
- Do the tasks assigned to them have a job description?
- How do they feel about the tasks? Bored? Excited?
- Does there need to be more challenging tasks or easier ones?
- Are there some tasks the volunteer can do from home?

IndependentSector.org estimates the value of volunteer hours in Indiana between $17.00 and $17.79 an hour. That rate per volunteer is money you are able to save on staffing costs and reallocate somewhere else. Give them a feeling that they are truly helping your nonprofit verbally and offer small gifts or lunches to show your appreciation.

Donors

Seeking new donors is one challenge while retaining current funders is another. Both take time. With potential donors, you try to cultivate a relationship and sell the value of your nonprofit and programming. With current donors, you continue your friendship and cultivate loyalty. Include your donors in the fundraising process. Ask, but let them tell you what and how much they can give. And be sure to make the thank you letters personalized and send any requested follow-up materials.

Example:
Your nonprofit is a Prostate Cancer health education organization. You have set up a booth at a local fair with brochures, small items with your name on it such as key chains and pens and a signup sheet for more information. The booth is manned in shifts by your staff and volunteer nurses from a partnering health clinic. A young woman walks by and talks to the staff. Her father died of Prostate cancer and she is interested in making a donation.

- Do you and your staff have the confidence to approach potential funders?
    - Are you comfortable with approaching people and asking for donations?
    - Do you have strong sales skills?
    - Do you have strong presentation skills?
    - Do you offer a monthly giving option?
    - Do you take time to see what the donor is willing to give and how they give it (one time gift, bequests, monthly supports, etc)?
    - Do you ask consistently giving donors what programming they would like to see?
    - Do you use email, social networks and other electronic appeals?
    - Do you send out personalized thank you letters promptly?

Don't neglect the consistent smaller amount giver. Over time, they could potentially provide as much as the big one-time gift giver. Finding funders that believe in you and your nonprofit provides valuable word-of-mouth praises to help you in your reputation and fundraising efforts. And it will give you the security to move forward.

Finances

Before you solicit funds you need to ask yourself some questions and develop concrete answers in order to know which direction you want to go. You need to know exactly what your fixed expenses are (rent, phone, internet, etc.) and have an accurate range for the other expenses (utilities, materials' costs, etc.) as well as allow for infrequent costs (upgraded computers and software, fax or copy machines, etc.)

Also think past the day-to-day funding for programs and administrative costs. You may want to have a separate drive for capital campaign (asking for a set amount of amount during a certain time frame for resources- ex. a building) or an endowment (usually money to be kept and invested so that the interest can be used while the principle grows for the future).

Example:
A once- secure funding stream has dried up. You rethink your expenses and see you can cut the budget by not buying another computer, not hiring a filing clerk and keeping the lights off

in the storage and classrooms when unused. You still need to cut $10,000 from the budget until you can obtain more funding. Where would you cut it?

- What is the financial health of your nonprofit?
  - Are your fundraisers successful, are you breaking even or in the red?
  - Do you have an endowment?
  - Do you have a loyal donor base?
  - Do you have partners that can offer in-kind services and goods?
  - What components of your program are underfunded?
  - Is there enough funding to cover administrative costs?
  - Are monthly financial statements prepared for comparison and analysis?
  - Financially, is your organization able to provide for a cost sharing or matching requirement?
  - Is there an independent business that can audit you and help you with your taxes?

- If funding is cut could your nonprofit survive?
  - Can you incorporate elements of the program into your other existing programs?
  - Do you already have a plan in place to make budget cuts?
  - Do you think your nonprofit can rebound from the budget cut?

Both for-profits and nonprofits have to face budget cuts at one time or another. There will be times of financial famine and feast and you need to be ready for any circumstance. Careful planning and knowing the amount you need at the bare bone level to continue your nonprofit will help you to be ready for the bad times.

Programming

You have in mind a program you would like to fund to further your non-profit's mission. Based on the needs of the community and the services you can offer, you think your nonprofit has a chance to succeed. But you must be able to sell your program as the best alternative to solve a problem in your community. You will also be competing for recognition and funding with other similar nonprofits.

Example:

You have a small program about recognizing strokes and stroke prevention. Currently you go to seven assisted living facilities and nursing homes in your area to educate the staff and residents. You program includes basic warning signs, role playing, the latest medical information and stroke prevention tips.

- What makes your nonprofit unique?
  - Do you have a short list of the uniqueness of your nonprofit and/or programs?
  - Are those differences strong enough to separate you from your rivals?
  - Do your potential donors know about your uniqueness and how well you work in that niche?

- Do you have a clear strategy?
  - Does it follow your mission and vision?
  - Does it allow for growth and adaption?
  - Do you have short-term, moderate and long-term goals in mind?

- Do you have the resources and dedicated staff to begin your projects?
  - Have you conducted a project planning meeting?
  - Is it feasible?
  - Do you have the motivation to maintain the program and help it to succeed?

- Will you be solving a problem?
  - Will the program be part of a new trend or emerging need?
  - Is your solution unique or traditional?
  - Are you reaching the most vulnerable clients?
  - Has there been success?
  - Has a needs assessment been done?

- Is the program currently in place?
  - Are you addressing weaknesses and challenges in the program?
  - Do you listen to staff and clients to see if the program is doing what it was designed to do?
  - Do you want to expand it?

- Did you evaluate the need for a new, additional program?
  - Could your organization manage an expansion in programming?

  - Will this new program require more resources and time than you presently have?

- Is your staff onboard with taking on more responsibilities?
  - Has there been committee meetings, staff meetings and other discussions on the practicality of running a new program?
  - Can staff be diverted from an existing program to run a new one or will new staff be hired?
  - Are you able to expand the program to other areas and/or populations?
  - Can you adapt components of it to expand your client base (elderly, immigrant, children, etc.)?

- Is the new program similar to a program implemented in the past?
  - Is that program doing well?
  - Can this program be successful in its adaption?
  - Is the program an unnecessary duplication of another foundation's program?

Periodically evaluate your programming and make sure it serves your clients. Include your staff in the discussions and ask your clients about the effectiveness through interviews, surveys and other means. Having strong and well-organized programming will further your reputation in the community.

Clients

As you plan your nonprofit, think on whom your clients will be. Reflect back to your mission and plan for the differences and similarities of the people you choose to work with. Your nonprofit may choose to work with kids but you have to evaluate what kinds of kids you can work with. What age range? Are you working with boys only? Does your program specifically work with immigrant children?

Remember, keep your clients' information confidential at all times. The only exception is if they agree to a partial identification for anecdotes or case studies. For those instances, have a form signed by your client (or their legal guardians) allowing you to use the information.

Example:
You currently have health education classes in the dangers and challenges of Sexually Transmitted Diseases for low income,

young women in your township. Your nonprofit receives a big donation and after discussion with your board you decide to expand the program.

How should you expand your client base? Should you include men in the classes? Teens? Could you expand out of the township? Should you look at new trends and offer education to people in your community who have a higher rate of new cases? If the ones with the highest rates were the elderly or immigrants, could you adapt the program to reach them? How would you choose?

- Will you (or are you) reaching underserved populations?
  - Will there be an increase of individuals helped?
  - Will there be a change in the target population affected by the program?
  - Do you regularly view your area's population statistics to see how much change there is in the clientele?
  - Is the population you serve unique in some way (disabled, immigrant, etc.)?
  - Is the program culturally sensitive to participants?
  - Could there be resistance to the program because of differences in value or belief systems?

- Does your program have a strategy to improve participants' skill, knowledge, understanding, etc.?
  - Is the program multicultural or can it be adapted to be multicultural?
  - Is the program age, education level and knowledge appropriate?
  - Is the material taught based on up-to-date knowledge and supported by data?
  - Is there a measuring technique in place to see how the clients' understanding has grown?

- Are the participants involved and engaged?
  - Do you have a variety of teaching techniques in your program (lecture, group discussions, demonstrations, skits, games, role play, etc.)?
  - Will the participants be able to retain the information learned and/or teach others through informal peer education?
  - Are you raising awareness?
  - Do the participants trust you?
  - What have the participants said about the program (or the idea of a new program)?

Communities and neighborhoods are fluid and they depend on births, deaths and people moving in and out of neighborhoods. Your program may serve one type of client yet you notice other people asking for services. Stay connected with your clients throughout the length of your program. Encourage them to continue to come and help find solutions to problems that might discourage them. Make sure they can understand the teacher(s) and materials. Their word of mouth testimonials will promote your work.

Community

By acquiring the backing of the community in which you operate, you can get more support and cooperation for your nonprofit. Although the people can come from various backgrounds, they all want to make their neighborhoods better places to live. The community can be unified to improve situations in their neighborhoods and you can present your nonprofit as offering solutions.

Example:
Your nonprofit offers free flu shots. You rely on advertising, word of mouth and referrals. But in comparing the demographic information against your referrals and enrollment records, you estimate that 37% of the eligible people in the area are not using your services.

One of your staff suggests sending flyers to local community centers, churches and stores as a way to reach out. Another staff member suggests attending a few Neighborhood Association meetings to get more community support. What else could they do?

- Is your nonprofit well known in the community?
    - Does your nonprofit have the support it needs from outside the organization?
    - Do you have a good reputation for community involvement, fiscal responsibility and programs that have an impact?
    - Can you count on the support of key members of the community?

- Do you have community support?
    - Are there community resources that can contribute to your program?

- Do you have the support of key individuals in the community?
- Have you or your nonprofit cultivated trust in the community?
- Do you have community members willing to be on a task force or committees to help plan or continue to support your program?
- Do you have an outside person in the community to champion your cause (survivor, community leader, advocate, etc.)?
- Do you have support from local businesses?
- Does your nonprofit understand the issues and problems in the community?

➢ Will there be an impact on the community?
  - Will your program deal with inadequacies in the community?
  - Will your program empower the community?
  - Will the community be able and willing to learn from the program?
  - Is there a stigma attached to your program?
  - Will the community be able to accept change?
  - Can you quantify the money saved in the community by investing in your program (prevention services- savings on medical problems, job training- savings on TANF and /or unemployment payments, etc.)?

➢ Is there enough community awareness about your program?
  - Is there a reliable method to publicize the program to the community?
  - Can you mobilize the community with your program?
  - Do members of the community recognize your nonprofit's name and/or its mission?
  - Do you have a program fact sheet or a boilerplate document available for the media?
  - Do you have contacts in the media for free or low cost advertising?
  - Do you have time to attend free or low cost events, county fairs, etc. to get your name and your services recognized?

One way to be connected to your community is to do a Community Needs Assessment. Ask the residents their opinions on what they think the community needs (in terms of flu shots, per the example). Some grant application would like to see the results of some sort of needs assessment to see if you are in tune with the residents' needs. By being sensitive to community requests and changes, your organization will be able to adapt to what the population needs.

Contemporaries

Your contemporaries can be your direct rivals, local government, other nonprofits doing the same or similar activities, the media or any interested party. They can all be pulled together for support of your nonprofit. By taking a leadership role in networking and education, doors may open for your nonprofit.

Example:
Children with hearing disabilities and their families are your clients. One nonprofit in the city does hearing screenings while another runs a Hearing Disability school. Your nonprofit offers a club for the kids to socialize outside of school as well as family counseling and other support.

To raise the profile of your nonprofit, your staff starts to offer workshops, streaming video of relevant topics online and lunch and learns on the weekend while the kids socialize. Your staff makes sure that the staffs of the other nonprofits are invited as well as the general public.

- Can your nonprofit educate your colleagues?
  - Is what you want to do in line with what experts think?
  - Do you have a good relationship with your local media?
  - Are you willing to post grant opportunities on your site to share with others so they will alert you to possible funding that you can use?
  - Can you get local women and/or business groups, community groups and other organizations to sponsor a fundraiser?

- Are they your direct competition?
  - Is there another organization running the same or a similar program in the targeted area?
  - Will your nonprofit receive less media coverage because your contemporary is better known?

- Can you collaborate with local, state and national offices of civic groups with a similar mission?
  - Are you part of a coalition or taskforce?
  - Are you able to foster partnerships and relationships with your contemporaries?

- Can you co-sponsor programs with contemporaries?
- Are they able to offer in-kind support?
- Are you able to link with another nonprofit's program?
- Would you consider bartering services with contemporaries?
- Can you work together on projects?

Be proactive in your networking. Every effort you make that strengthens your position as a leader will get you recognition. Rivalries with similar nonprofits don't have to be bitter. Each nonprofit is unique in some ways. The key is to use your differences to set you apart and to use your similarities for possible partnership opportunities.

Partnerships

Having a partner helps with a sharing of resources to sustain your ventures and grow your nonprofit. There may be goods and services that you want to offer but because of funding or staffing issues, you may not be able to provide them. But the alliances should already be in place and functioning *before* you seek grants. By having current collaboration, funders will know that you have a valuable resource already in place to help you succeed.

Example:
You have the staff and volunteers to run a weekly childhood obesity education program but your offices can only fit 10 parents and their children. You call around and find an elementary school nearby that has an after-school program and is open in the late afternoons. They will gladly donate use of two classrooms, one for the adults and one for the children on Tuesday afternoons so you can run your program.

The mutual benefits for you are:

- Two larger areas to run your program
- By separating the groups, there will be fewer distractions
- Utility and rent savings
- Being in a place that your clients are familiar with
- Increased client pool
- A partner who can be counted on for a MOU, letter of support or letter of commitment

Mutual benefits for your partner are:

  - A no-cost program operating in their facility to educate the community
  - No staff or materials cost
  - The program has already been tested and implemented with success
  - Possible expansion for little or no cost
  - Possible additional federal or state funding because of the program

- Are the partners an element of the neighborhood your program will be operating in?
  - Is your nonprofit the point of contact for the community?
  - Do you have an ongoing relationship?
  - How involved are they in your cause?
  - Do they have a good reputation in the community?
  - Is the benefit of collaboration mutual?

- Are the roles between your nonprofit and your partner(s) clearly defined?
  - Do you coordinate and facilitate all the meetings?
  - Is there specific activities, programs or tasks your organization is in charge of when working in collaboration?
  - Does your organization head a coalition?

Another reason to already have the partnership established is to have a working chemistry with your partner(s). The division of work, assets and resources will already be determined and all parties will know the level of commitment each has to the program.

You will also know the working relationship your organizations will have, whether good or bad. If it is a profitable one, you will be able to adjust that relationship to make it better through communication and understanding. If it is a liability, you can decide whether you want to salvage it through a collaborative effort or just work with a new partner. Ultimately, you want a strong partnership with organizations you have confidence in.

Your Nonprofit Status

Now it is time to make your nonprofit "official" and obtain documentation of your non-profit status. Many funding entities ask for a copy of an organization's status before awarding grants.

Employer Identification Number (EIN)/ Federal Tax Identification Number

The first step for new nonprofits, as well as other businesses, is to have an Employer Identification Number (EIN). It is also called the Federal Tax Identification Number to be used by your nonprofit for business activity. For more information on obtaining an EIN and to be able to apply for one from the Internal Revenue Service- http://www.irs.gov/businesses/small/article/0,,id=98350,00.html

501 (C)(3) Status

Organizations with 501 (C)(3) status can receive tax-deductable charitable contributions. If your nonprofit can be recognized as charitable, educational or religious then it may apply for tax-deductable status. Please see the IRS website for other restrictions and definitions to be eligible for this status.

501 (C)(3) status
A nonprofit organization is exempt from federal income tax
Files IRS Form 990 (990-EZ or 990-PF) annually
For additional information from the Internal Revenue Service for Charities- http://www.irs.gov/charities/index.html
Additional information is at: http://www.irs.gov/pub/irs-pdf/p4221pc.pdf

If your nonprofit meets all the criteria, the IRS will give you a determination letter to prove your exemption status.

Indiana Sale Tax Exemption

In Indiana, you can register your nonprofit with the Indiana Department of Revenue (IDOR) for Sales Tax Exemption. The forms are found on IDOR's website- http://www.in.gov/dor/3506.htm.

In Indiana, Professional solicitors do have to submit financial data. For more information, please see The Office of the Indiana

Attorney General's Charitable Solicitations Campaign Financial Chart- http://www.in.gov/attorneygeneral/2580.htm.

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Please check websites for most current updates and or additional information.

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